

2000 GENERAL ASSEMBLY

FB 2000-2002

CONFERENCE BUDGET REPORT ANALYSIS

E. FAMILIES AND CHILDREN

APRIL 14, 2000

2000 REGULAR SESSION
FB 2000-2002
CONFERENCE BUDGET REPORT ANALYSIS

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CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Families and Children

Agency: Summary
Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)				9,097,800			9,082,800		
General Fund	279,231,800	279,231,800	279,231,800	304,950,200	299,500,200	304,350,200	322,839,500	317,030,100	322,239,500
Restricted Funds	88,117,000	88,117,000	88,117,000	97,537,500	97,537,500	97,537,500	102,955,500	101,690,300	102,794,500
Federal Funds	539,545,300	539,545,300	539,545,300	505,993,500	502,744,100	505,585,600	521,712,800	517,900,200	521,229,800
Regular Total Funds	906,894,100	906,894,100	906,894,100	917,579,000	899,781,800	907,473,300	956,590,600	936,620,600	946,263,800
General Fund Continuing	16,809,100	16,809,100	16,809,100						
GRAND TOTAL FUNDS	923,703,200	923,703,200	923,703,200	917,579,000	899,781,800	907,473,300	956,590,600	936,620,600	946,263,800
II. EXPENDITURE CATEGORY									
Personnel Costs	308,674,000	308,674,000	308,674,000	300,856,700	301,158,900	301,158,900	311,823,600	312,140,800	312,140,800
Operating Expenses	96,239,600	96,239,600	96,239,600	86,865,300	86,865,300	86,865,300	88,912,200	88,912,200	88,912,200
Grants, Loans, Benefits	518,639,600	518,639,600	518,639,600	529,767,400	511,668,000	519,359,500	555,693,600	535,406,400	545,049,600
Debt Service							69,000	69,000	69,000
Capital Outlay	150,000	150,000	150,000	89,600	89,600	89,600	92,200	92,200	92,200
TOTAL EXPENDITURES	923,703,200	923,703,200	923,703,200	917,579,000	899,781,800	907,473,300	956,590,600	936,620,600	946,263,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	279,231,800	279,231,800	279,231,800	294,465,900	294,465,900	294,465,900	301,380,800	301,380,800	301,380,800
Restricted Funds	88,117,000	88,117,000	88,117,000	95,640,600	95,640,600	95,640,600	100,119,800	100,119,800	100,119,800
Federal Funds	539,545,300	539,545,300	539,545,300	499,611,300	499,611,300	499,611,300	495,388,700	495,388,700	495,388,700
Regular Total Funds	906,894,100	906,894,100	906,894,100	889,717,800	889,717,800	889,717,800	896,889,300	896,889,300	896,889,300
General Fund Continuing	16,809,100	16,809,100	16,809,100						
TOTAL BASE LEVEL	923,703,200	923,703,200	923,703,200	889,717,800	889,717,800	889,717,800	896,889,300	896,889,300	896,889,300
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)				9,097,800			9,082,800		
General Fund				10,484,300	5,034,300	9,884,300	21,458,700	15,649,300	20,858,700
Restricted Funds				1,896,900	1,896,900	1,896,900	2,835,700	1,570,500	2,674,700
Federal Funds				6,382,200	3,132,800	5,974,300	26,324,100	22,511,500	25,841,100
TOTAL ADDITIONAL				27,861,200	10,064,000	17,755,500	59,701,300	39,731,300	49,374,500

Agency: Summary
Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Federal Funds				300,000	300,000	300,000			
Bond Funds				640,000	640,000	640,000			
Investment Income				300,000	300,000	300,000	525,000	525,000	525,000
Deferred Maintenance				2,500,000	2,500,000	2,500,000			
TOTAL CAPITAL				3,740,000	3,740,000	3,740,000	525,000	525,000	525,000

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Families and Children

Agency: Families and Children
Appropriation Unit: Community Based Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)				9,097,800			9,082,800		
General Fund	248,417,900	248,417,900	248,417,900	274,510,800	269,060,800	273,910,800	291,608,400	285,799,000	291,008,400
Restricted Funds	80,060,900	80,060,900	80,060,900	93,280,100	93,280,100	93,280,100	98,711,000	97,445,800	98,550,000
Federal Funds	458,262,400	458,262,400	458,262,400	432,526,900	429,277,500	432,119,000	445,517,700	441,705,100	445,034,700
Regular Total Funds	786,741,200	786,741,200	786,741,200	809,415,600	791,618,400	799,309,900	844,919,900	824,949,900	834,593,100
General Fund Continuing	16,809,100	16,809,100	16,809,100						
GRAND TOTAL FUNDS	803,550,300	803,550,300	803,550,300	809,415,600	791,618,400	799,309,900	844,919,900	824,949,900	834,593,100
II. EXPENDITURE CATEGORY									
Personnel Costs	256,146,800	256,146,800	256,146,800	250,602,300	250,904,500	250,904,500	258,824,100	259,141,300	259,141,300
Operating Expenses	42,961,800	42,961,800	42,961,800	43,471,200	43,471,200	43,471,200	44,894,100	44,894,100	44,894,100
Grants, Loans, Benefits	504,441,700	504,441,700	504,441,700	515,342,100	497,242,700	504,934,200	541,201,700	520,914,500	530,557,700
TOTAL EXPENDITURES	803,550,300	803,550,300	803,550,300	809,415,600	791,618,400	799,309,900	844,919,900	824,949,900	834,593,100
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	248,417,900	248,417,900	248,417,900	264,183,000	264,183,000	264,183,000	270,444,000	270,444,000	270,444,000
Restricted Funds	80,060,900	80,060,900	80,060,900	91,402,500	91,402,500	91,402,500	95,899,100	95,899,100	95,899,100
Federal Funds	458,262,400	458,262,400	458,262,400	426,346,700	426,346,700	426,346,700	419,496,400	419,496,400	419,496,400
Regular Total Funds	786,741,200	786,741,200	786,741,200	781,932,200	781,932,200	781,932,200	785,839,500	785,839,500	785,839,500
General Fund Continuing	16,809,100	16,809,100	16,809,100						
TOTAL BASE LEVEL	803,550,300	803,550,300	803,550,300	781,932,200	781,932,200	781,932,200	785,839,500	785,839,500	785,839,500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)				9,097,800			9,082,800		
General Fund				10,327,800	4,877,800	9,727,800	21,164,400	15,355,000	20,564,400
Restricted Funds				1,877,600	1,877,600	1,877,600	2,811,900	1,546,700	2,650,900
Federal Funds				6,180,200	2,930,800	5,772,300	26,021,300	22,208,700	25,538,300
TOTAL ADDITIONAL				27,483,400	9,686,200	17,377,700	59,080,400	39,110,400	48,753,600
V. ADDITIONAL BUDGET ITEMS									
2 EXPRFR	Child Support-Restricted Funds Replacement								
(736ZB0X01)	Provide funds to replace Restricted Funds due to Federal changes in incentive payment calculations, reduced TANF recipients, and increased Federal administrative mandates.								
General Fund							8,500,000	8,500,000	8,500,000
Federal Funds							16,500,000	16,500,000	16,500,000
Total							25,000,000	25,000,000	25,000,000

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Governmental Branch: Executive Branch
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Agency: Families and Children
Appropriation Unit: Community Based Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
3	EXPAN	Child Care-Additional Child Care Subsidies to Children of KTAP & Low Income Parents								
(736ZEAX01)		Provide funds to increase child care subsidies for 900 children in FY 2000-01, and 1,518 children, FY 2001-02.								
General Fund					650,000	650,000	650,000	1,229,000	1,229,000	1,229,000
Federal Funds					1,547,000	1,547,000	1,547,000	2,919,500	2,919,500	2,919,500
Total					2,197,000	2,197,000	2,197,000	4,148,500	4,148,500	4,148,500
4	EXPAN	Alternatives for Children-Out of Home Rate Adjustments								
(736ZFCX01)		Provide funds to increase Foster Care rate schedules; Residential Care; & Adoption subsidies. SENATE: Provide funds to adjust Foster Care rates. CONFERENCE: Provide funds to increase Foster Care rate schedules; Residential Care; & Adoption subsidies.								
General Fund					7,000,000	2,000,000	6,000,000	7,414,400	2,100,000	6,414,400
Restricted Funds								1,615,200	350,000	1,454,200
Federal Funds					4,079,400	830,000	3,671,500	4,830,600	1,018,000	4,347,600
Total					11,079,400	2,830,000	9,671,500	13,860,200	3,468,000	12,216,200
6	EXPAN	State Supplementation-Cost of Living Adjustment								
(736ZADX01)		Provide Restricted Funds (Food Stamp Enhanced Funds) to support a 2.4% Cost of Living increase, effective January 1, 2001 for 3,660 Personal Care, 370 Family Care, and 818 Caretaker recipients.								
Restricted Funds					357,000	357,000	357,000	763,000	763,000	763,000
Total					357,000	357,000	357,000	763,000	763,000	763,000
7	EXPAN	Adult Services-Domestic Violence								
(736ZFBX04)		Provide funds to support increases for existing spouse abuse shelters.								
General Fund						400,000	400,000	700,000	1,100,000	1,100,000
Restricted Funds					700,000	700,000	700,000			
Total					700,000	1,100,000	1,100,000	700,000	1,100,000	1,100,000
12	NEW	Wage Equity Plan								
(736GA01)		Provide funds to support salary improvement.								
General Fund					1,827,800	1,827,800	1,827,800	1,409,700	1,409,700	1,409,700
Restricted Funds					145,600	145,600	145,600	433,700	433,700	433,700
Federal Funds					553,800	553,800	553,800	1,771,200	1,771,200	1,771,200
Total					2,527,200	2,527,200	2,527,200	3,614,600	3,614,600	3,614,600

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Governmental Branch: Executive Branch
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Agency: Families and Children
Appropriation Unit: Community Based Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
13	NEW	Early Childhood Development Program Initiatives								
(736ZEAX02)		Provide funds to increase the number of families eligible for child care subsidies; licensing and technical assistance positions; and STAR System cash awards, management, and quality subsidy payments.								
General Fund (Tobacco)					9,097,800			9,082,800		
Total					9,097,800			9,082,800		
14	EXPAN	Children's Advocacy Centers-Sexual Assault Exams								
(736ZFAX05)		Provide funds to support exams for juvenile victims of sexual assault at 9 new centers in FY 2000-2001 and 4 additional centers in FY 2001-2002.								
General Fund								1,016,300		
Restricted Funds					675,000			1,016,300		
Total					675,000			1,016,300		
15	NEW	Model Early Childhood Development Center								
(736GA02)		Provide funds to support establishment of a pilot early childhood development center.								
General Fund					850,000			895,000		
Total					850,000			895,000		
TOTAL ADDITIONAL					27,483,400			59,080,400		
					9,686,200			39,110,400		
					17,377,700			48,753,600		

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Based Services

BRANCH BUDGET

The Branch Budget recommends funding for services and programs in FB 2000-2002, as follows:

	Revised <u>FY 1999-2000</u>	Recommended <u>FY 2000-2001</u>	Recommended <u>FY 2001-2002</u>
Family Support Program:			
TANF (1)	\$224,256,000	\$197,996,000	\$200,540,900
Food Stamps	46,099,700	47,647,200	50,817,300
Medical Assistance (2)	24,261,200	26,428,500	28,202,200
State Supplementation	18,406,300	18,279,000	18,213,700
Welfare to Work	<u>13,665,500</u>	<u>15,943,400</u>	<u>4,103,700</u>
Total Family Support	\$326,688,700	\$306,294,100	\$301,877,800
 Child Support Program	 \$60,340,200	 \$58,472,600	 \$61,400,500
 Family and Community Services Program:			
Family Based Services	\$78,305,200	\$74,988,100	\$79,676,700
Adult Services	28,132,200	29,119,700	30,135,600
Alternatives For Children	<u>175,717,300</u>	<u>190,027,200</u>	<u>209,049,700</u>
Total Family & Community Services Program	\$282,154,700	\$294,135,000	\$318,862,000
 Child Care Program	 \$104,789,900	 \$124,734,100	 \$136,045,600
 Energy Program	 \$29,576,800	 \$17,219,200	 \$17,217,400
 Wage Equity Plan (General Fund)(3)		 \$3,603,800	 \$8,454,900
 Total Community Based Services	 <u>\$803,550,300</u>	 <u>\$804,458,800</u>	 <u>\$843,858,200</u>

(1)Temporary Assistance to Needy Families

(2)Medicaid Eligibility

(3)Restricted Funds & Federal Funds appropriated in individual programs in Recommended Budget

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Based Services

The Branch Budget recommends funding support to be provided from the Food Stamp Enhanced and Public Assistance (PA) Claims and Recovery Restricted Funds for existing and additional services and programs in FB 2000-2002, as follows:

		<u>Recommended FY 2000-2001</u>	<u>Recommended FY 2001-2002</u>
Food Stamp Enhanced:			
Base Level Budget:	Welfare to Work	\$2,000,000	\$1,346,000
	Child Support		653,400
	State Supplementation	357,000	763,000
Additional Budget Items:	Domestic Violence	700,000	
	Children's Advocacy Centers	<u>675,000</u>	<u> </u>
Total		\$3,732,000	\$2,762,400
PA Claims & Recovery:			
Base Level Budget:	TANF Program	\$1,500,000	\$1,500,000

The Branch Budget recommends funding for existing services and programs in FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional funding support totaling \$6,579,600 (\$3,603,800 General Fund; \$619,600 Restricted Funds; \$2,356,200 Federal Funds) in FY 2000-2001 and \$15,214,300 (\$8,454,900 General Fund; \$1,349,800 Restricted Funds; \$5,409,600 Federal Funds) in FY 2001-2002 is budgeted to provide a guaranteed Cost of Living Adjustment (COLA) salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

*The Branch Budget provides funds to support TANF Maintenance of Effort (MOE) and Alternatives for Children-Maintenance of Current Services in the Base Level Budget.

Additional General Fund support totaling \$8,500,000 in FY 2001-2002 and Federal Funds (Child Support Enforcement) totaling \$16,500,000 in FY 2001-2002 are provided to continue Child Support mandates by the replacement of Restricted Funds (Federal Incentive Payments).

Additional Restricted Funds (Food Stamp Enhanced Funds totaling \$357,000 in FY 2000-2001 and \$763,000 in FY 2001-2002 are provided to fund a 2.4% Cost of Living Adjustment for 3,660 Personal Care, 370 Family Care, and 818 Caretaker recipients.

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Based Services

Additional General Fund support totaling \$650,000 in FY 2000-2001 and \$1,229,000 in FY 2001-2002, and Federal Funds (Child Care Development Fund, CCDF) totaling \$1,547,000 in FY 2000-2001 and \$2,919,500 in FY 2001-2002 are provided to fund child care subsidies for additional children of KTAP or low income parents by 900 in FY 2000-2001 and 1,518 in FY 2001-2002.

Additional General Fund support totaling \$2,000,000 in FY 2000-2001 and \$2,100,000 in FY 2001-2002; Restricted Funds (Medicaid) totaling \$350,000 in FY 2001-2002; and Federal Funds (Title IV-E) totaling \$830,000 in FY 2000-2001 and \$1,018,000 in FY 2001-2002 are provided for Alternatives for Children-Out of Home Rate Adjustments.

Additional Restricted Funds (Food Stamp Enhanced Funds) support totaling \$700,000 in FY 2000-2001 and General Fund support totaling \$700,000 in FY 2001-2002 are provided for Adult Services-Domestic Violence to Spouse Abuse Centers.

Additional General Fund (MSA Phase I - Tobacco Settlement) support totaling \$9,188,100 in FY 2000-2001 and \$7,708,600 in FY 2001-2002 is provided for Early Childhood Development Initiatives, as follows:

	<u>FY 2000-2001</u>	<u>FY 2001-2002</u>
1. Provide funds to support increase number of families eligible to receive child care subsidy reimbursement	\$6,000,000	\$6,000,000
2. Provide funds to support licensing personnel dedicated to child care	1,851,000	*
3. Provide funds to support personnel to offer technical assistance to upgrade quality	988,000	*
4. Provide funds to support cash award for child care facilities that improve quality by increasing their STAR level.	166,000	1,225,000
5. Provide funds to support management of the STAR System	97,800	82,800
6. Provide funds to support the level of quality increases by offering subsidy payments that graduate by the number of STARs a program achieves	<u>85,300</u>	<u>400,800</u>
Total	\$9,188,100	\$7,708,600

*BRANCH: Provide Child Care Development Funds (CCDF) totaling \$2,788,400 in FY 2001-2002 in the Base Level Budget.

Additional Restricted Funds (Food Stamp Enhanced Funds) support totaling \$675,000 in FY 2000-2001 and General Fund totaling \$1,016,300 in FY 2001-2002 are provided for Children's Advocacy Centers.

The Branch Budget Operating Budget includes reduced funding for EMPOWER KY savings of \$305,700 in FY 2000-2001 and \$538,600 in FY 2001-2002.

The Branch Budget Bill, Part I, Operating Budget, includes language provision relating to the Wage Equity Plan, that directs, notwithstanding KRS 45.229, General Fund moneys for the Wage Equity Program in the amount of \$4,172,500 shall continue from fiscal year 2000-2001 into fiscal year 2001-2002.

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Based Services

The Branch Budget Bill, Part I, Operating Budget, includes language provision relating to the Public Assistance Appeals Board, that directs, the Department for Community Based Services shall reimburse citizen members of the Public Assistance Appeals Board an amount not to exceed \$75 per day plus travel expenses.

The Branch Budget Bill, Part I, Operating Budget, includes language provision relating to the Welfare to Work Program, that directs, due to the demands placed upon the Cabinet to meet the increasing participation rates required for welfare reform, and in order to meet the state match requirements for the Welfare to Work Program, any General Fund appropriation unexpended in fiscal year 1999-2000 of up to \$8,500,000 and in fiscal year 2000-2001 of up to \$2,500,000 shall not lapse and shall be carried forward into the next fiscal year, notwithstanding KRS 45.229, in compliance with the General Provisions of this Act.

The Branch Budget Bill, Part I, Operating Budget, Workforce Development Cabinet, Department for Employment Services, includes language provision relating to the TANF Job Placement and Training Services, that directs, Restricted Funds totaling \$4,067,600 in fiscal year 2000-2001 and \$4,053,500 in fiscal year 2001-2002 shall be transferred from the Cabinet for Families and Children to the Department for Employment Services to provide job placement and training services to Temporary Assistance for Needy Families (TANF) recipients through a contractual agreement.

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions for the Cabinet for Families and Children relating to a) TANF and MSA Phase I - Tobacco Settlement Funding Transfers, and language provisions for the Department for Community Based Services relating to b) Energy Assistance Trust Fund, and c) Education for recipients of Public Assistance, as follows:

a) To the extent allowed by federal regulations and subject to the approval of the State Budget Director and the Interim Joint Committee on Appropriations and Revenue, the Cabinet for Families and Children may transfer Temporary Assistance to Needy Families (TANF) funds to the Department for Public Health in the Cabinet for Health Services in exchange for Phase I Tobacco Settlement dollars targeted for the home visitation program. Such transfer up to \$3,000,000 per year is permitted on a dollar for dollar basis. This transfer, subject to the consent of both Cabinets, shall be permitted so long as allowed by federal regulations in order to enable the Cabinet for Families and Children to further leverage funds which could be used in the Alternatives for Children subprogram.

b) Energy Assistance Trust Fund: Notwithstanding KRS 42.560, only those Restricted Funds necessary to supplement Federal Funds in order to maintain program levels as appropriated, are authorized from the Energy Assistance Trust Fund for fiscal year 2000-01 for the Home Energy Assistance and Weatherization programs.

c) Education for Recipients of Public Assistance: The Department for Community Based Services shall make available to a minimum of 7% of total adult public assistance recipients placements in Postsecondary or Vocational education. The recipients shall receive all support services provided to employed public assistance recipients including transportation and child care. The funding source shall be determined by the Cabinet for Families and Children. Work requirements shall include those required by the Postsecondary or Vocational educational placement as part of the required program of study or financial assistance. If allowable by Federal regulations related to Welfare Reform work participation rates, work requirements shall be limited to those required by the Postsecondary or Vocational educational placement as part of the required program of study or financial assistance.

The Branch Budget Bill, Part XI, Phase I Tobacco Settlement, includes language provision relating to the Early Childhood Development Fund, that directs, twenty-five percent (25%) of the MSA payments received in fiscal year 2000-2001, estimated to be \$25,275,000, and in fiscal year 2001-2002, estimated to be \$30,400,000, is appropriated to the Early Childhood Development Fund which is proposed to be established by enabling legislation in the Governor's Office for Early Childhood Development to be used for early childhood development initiatives. The Fund will be administered by a board to be established by enabling legislation. Appropriations for early childhood initiatives are set out within the

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Based Services

appropriation amounts of the recipient agencies in Part I of this Act and are subject to the approval of the board. The recipient agencies include the Office of the Inspector General, the Department for Public Health and the Commission for Children with Special Health Care Needs in the Cabinet for Health Services, the Department for Community Based Services in the Cabinet for Families and Children, the Kentucky Higher Education Assistance Authority, and the Governor's Office for Early Childhood Development within the Office of the Governor.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following changes:

	Revised FY 1999-2000	Recommended FY 2000-2001	Recommended FY 2001-2002	House FY 2000-2001	House FY 2001-2002
Family Support Program:					
TANF (1)	\$224,256,000	\$198,876,000	\$202,744,800	\$198,503,500	\$200,982,300
Food Stamps	46,099,700	48,108,400	52,069,100	47,402,800	50,385,300
Medical Assistance (2)	24,261,200	26,681,200	28,887,900	26,294,600	27,965,500
State Supplementation	18,406,300	18,279,000	18,213,700	18,279,000	18,213,700
Welfare to Work	<u>13,665,500</u>	<u>15,943,400</u>	<u>4,103,700</u>	<u>15,943,400</u>	<u>4,103,700</u>
Total Family Support	\$326,688,700	\$307,888,000	\$306,019,200	\$306,423,300	\$301,650,500
Child Support Program	\$60,340,200	\$58,509,400	\$61,484,900	\$58,426,700	\$61,318,000
Family and Community Services Program:					
Family Based Services	\$78,305,200	\$75,932,100	\$81,599,300	\$74,340,000	\$77,529,400
Adult Services	28,132,200	29,429,600	30,829,600	29,133,600	29,880,200
Alternatives For Children	<u>175,717,300</u>	<u>190,746,400</u>	<u>210,662,200</u>	<u>198,279,000</u>	<u>219,009,600</u>
Total Family & Community Services Program	\$282,154,700	\$296,108,100	\$323,091,100	\$301,852,600	\$326,419,200
Child Care Program	\$104,789,900	\$124,734,100	\$136,045,600	\$125,493,800	\$138,314,800
Energy Program	\$29,576,800	\$17,219,200	\$17,217,400	\$17,219,200	\$17,217,400
Total Community Based Services	<u>\$803,550,300</u>	<u>\$804,458,800</u>	<u>\$843,858,200</u>	<u>\$809,415,600</u>	<u>\$844,919,900</u>

(1)Temporary Assistance to Needy Families

(2)Medicaid Eligibility

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Based Services

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$2,527,200 in FY 2000-2001 and \$3,614,600 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The language provision in Part I, Operating Budget, relating to the Wage Equity Plan continued funding totaling \$4,172,500 from fiscal year 2000-2001 into fiscal year 2001-2002, is not included.

The language provision in Part I, Operating Budget, Workforce Development Cabinet, Department for Employment Services, relating to the TANF Job Placement and Training Services, is not included.

Additional General Fund support totaling \$7,000,000 in FY 2000-2001 and \$7,414,400 in FY 2001-2002; Restricted Funds (Medicaid) totaling \$1,615,200 in FY 2001-2002; and Federal Funds (Title IV-E) totaling \$4,079,400 in FY 2000-2001 and \$4,830,600 in FY 2001-2002 are provided for Alternatives for Children-Out of Home Rate increases.

Additional General Fund (MSA Phase I - Tobacco Settlement) support totaling \$9,097,800 in FY 2000-2001 and \$9,082,800 in FY 2001-2002 is provided for Early Childhood Development Initiatives, as follows:

	<u>Recommended FY 2000-2001</u>	<u>Recommended FY 2001-2002</u>	<u>House FY 2000-2001</u>	<u>House FY 2001-2002</u>
1. Provide funds to support increase number of families eligible to receive child care subsidy reimbursement	\$6,000,000	\$6,000,000	\$3,000,000	\$3,000,000
2. Provide funds to support licensing personnel dedicated to child care	1,851,000	*		
3. Provide funds to support personnel to offer technical assistance to upgrade quality	988,000	*	**	**
4. Provide funds to support cash award for child care facilities that improve quality by increasing their STAR level.	166,000	1,225,000	4,000,000	4,000,000
5. Provide funds to support management of the STAR System	97,800	82,800	97,800	82,800
6. Provide funds to support the level of quality increases by offering subsidy payments that graduate by the number of STARs a program achieves	<u>85,300</u>	<u>400,800</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total	\$9,188,100	\$7,708,600	\$9,097,800	\$9,082,800

*BRANCH: Provide Child Care Development Funds (CCDF) totaling \$2,788,400 (\$1,851,100 and \$937,300) in FY 2001-2002 in the Base Level Budget.

**HOUSE: Provide Child Care Development Funds (CCDF) totaling \$2,788,400 (\$988,000, and \$937,300 in FY 2001-2002 in the Base Level Budget.

Additional General Fund support totaling \$850,000 in FY 2000-2001 and \$895,000 in FY 2001-2002 are provided to establish a pilot Early Childhood Development Center.

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Based Services

The House adds Part IX, Special Provisions, for the Department for Community Based Services relating to Emergency Shelter, Outreach Programs, and Salary Improvements, and for the Cabinet for Families and Children relating to Legislative Oversight, as follows:

Emergency Shelter: The General Fund appropriation for Alternatives for Children Program includes \$450,000 each fiscal year for Private Child Care Emergency Shelter at the Home for the Innocents for temporary emergency services.

Outreach Programs: A General Fund appropriation of \$225,000 each fiscal year is provided for Outreach Resource Centers Services for adults and children services expansion through the Mountain Outreach in McRoberts (\$150,000 operating expenses each fiscal year) and Sarah's Place Women's Resource Center in Sandy Hook (\$75,000 operating and renovation expenses each fiscal year).

Salary Improvements: An appropriation of \$189,004,900 in fiscal year 2000-2001 is provided for Salary and Fringe Benefits costs in Community Based Services. Any appropriation for Salary and Fringe Benefits costs unexpended for Salary and Fringe Benefits costs in fiscal year 2000-2001 shall not lapse and shall be carried forward into the next fiscal year, notwithstanding KRS 45.229, in compliance with the General Provisions of this Act, to provide salary increases for employees in the Social Service Worker I and Social Service Worker II classifications.

Legislative Oversight: To provide legislative oversight, the Cabinet for Families and Children shall apply the provisions of KRS 48.630 to the program level including the following programs: Temporary Assistance to Needy Families (TANF), Medical Assistance, State Supplementation, Welfare to Work, Child Support, Energy, Child Care, Family Based Services, Adult Services, and Alternatives for Children; and Appropriation Units: Administration Services and Disability Determinations.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate transfers Phase I Tobacco Settlement General Fund appropriations for all affected budget units and activities, from Part I, Operating Budget, and other relevant parts in the Budget Bill, and provides for these appropriations in Part XI, Tobacco Settlement.

	House FY 2000-2001	House FY 2001-2002	Senate FY 2000-2001	Senate FY 2001-2002
Family Support Program:				
TANF (1)	\$198,503,500	\$200,982,300	\$198,503,500	\$200,982,300
Food Stamps	47,402,800	50,385,300	47,402,800	50,385,300
Medical Assistance (2)	26,294,600	27,965,500	26,294,600	27,965,500
State Supplementation	18,279,000	18,213,700	18,279,000	18,213,700
Welfare to Work	<u>15,943,400</u>	<u>4,103,700</u>	<u>15,943,400</u>	<u>4,103,700</u>
Total Family Support	\$306,423,300	\$301,650,500	\$306,423,300	\$301,650,500

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Community Based Services

	House FY 2000-2001	House FY 2001-2002	Senate FY 2000-2001	Senate FY 2001-2002
Child Support Program	\$58,426,700	\$61,318,000	\$58,426,700	\$61,318,000
Family and Community Services Program:				
Family Based Services	\$74,340,000	\$77,529,400	\$74,340,000	\$77,529,400
Adult Services	29,133,600	29,880,200	29,533,600	30,280,200
Alternatives For Children	<u>198,279,000</u>	<u>219,009,600</u>	<u>190,129,600</u>	<u>208,617,400</u>
Total Family & Community Services Program	\$301,852,600	\$326,419,200	\$294,003,200	\$316,427,000
Child Care Program	\$125,493,800	\$138,314,800	\$115,546,000	\$128,337,000
Energy Program	\$17,219,200	\$17,217,400	\$17,219,200	\$17,217,400
Total Community Based Services	<u>\$809,415,600</u>	<u>\$844,919,900</u>	<u>\$791,618,400</u>	<u>\$824,949,900</u>

(1)Temporary Assistance to Needy Families

(2)Medicaid Eligibility

The Senate amends Part I, Operating Budget, language provision, relating to Welfare to Work, as follows:

Due to the demands placed upon the Cabinet to meet the increasing participation rates required for welfare reform, and in order to meet the state match requirements for the Welfare to Work Program, any General Fund appropriation, excluding Salary Improvement provisions as provided in Part IX of this Act, unexpended in fiscal year 1999-2000 of up to \$8,500,000 and in fiscal year 2000-2001 of up to \$2,500,000 shall not lapse and shall be carried forward into the next fiscal year, notwithstanding KRS 45.229, in compliance with the General Provisions of this Act.

Additional General Fund support totaling \$2,000,000 in FY 2000-2001 and \$2,100,000 in FY 2001-2002; Restricted Funds (Medicaid) totaling \$350,000 in FY 2001-2002; and Federal Funds (Title IV-E) totaling \$830,000 in FY 2000-2001 and \$1,018,000 in FY 2001-2002 are provided for Alternatives for Children-Out of Home Rate Adjustments.

Additional General Fund support totaling \$850,000 in FY 2000-2001 and \$895,000 in FY 2001-2002 to establish a pilot Early Childhood Development Center is not included.

Additional General Fund support totaling \$400,000 and Restricted Funds (Food Stamp Enhanced Funds) support totaling \$700,000 in FY 2000-2001 and General Fund support totaling \$1,100,000 in FY 2001-2002 are provided for Adult Services-Domestic Violence to Spouse Abuse Centers.

The Senate deletes the language provision in Part IX, Special Provisions, related to TANF and MSA Phase I - Tobacco Settlement Funding Transfers.

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Based Services

CONFERENCE REPORT

The Conference concurs with the House with the following changes:

The Conference transfers Phase I Tobacco Settlement General Fund appropriations for all affected budget units and activities, from Part I, Operating Budget, and other relevant parts in the Budget Bill, and provides for these appropriations in Part XI, Tobacco Settlement.

	House FY 2000-2001	House FY 2001-2002	Senate FY 2000-2001	Senate FY 2001-2002	Conference FY 2000-2001	Conference FY 2001-2002
Family Support Program:						
TANF (1)	\$198,503,500	\$200,982,300	\$198,503,500	\$200,982,300	\$198,503,500	\$200,982,300
Food Stamps	47,402,800	50,385,300	47,402,800	50,385,300	47,402,800	50,385,300
Medical Assistance (2)	26,294,600	27,965,500	26,294,600	27,965,500	26,294,600	27,965,500
State Supplementation	18,279,000	18,213,700	18,279,000	18,213,700	18,279,000	18,213,700
Welfare to Work	<u>15,943,400</u>	<u>4,103,700</u>	<u>15,943,400</u>	<u>4,103,700</u>	<u>15,943,400</u>	<u>4,103,700</u>
Total Family Support	\$306,423,300	\$301,650,500	\$306,423,300	\$301,650,500	\$306,423,300	\$301,650,500
 Child Support Program	 \$58,426,700	 \$61,318,000	 \$58,426,700	 \$61,318,000	 \$58,426,700	 \$61,318,000
 Family and Community Services Program:						
Family Based Services	\$74,340,000	\$77,529,400	\$74,340,000	\$77,529,400	\$74,340,000	\$77,529,400
Adult Services	29,133,600	29,880,200	29,533,600	30,280,200	29,533,600	30,280,200
Alternatives For Children	<u>198,279,000</u>	<u>219,009,600</u>	<u>190,129,600</u>	<u>208,617,400</u>	<u>196,971,100</u>	<u>217,365,600</u>
Total Family & Community Services Program	\$301,852,600	\$326,419,200	\$294,003,200	\$316,427,000	\$300,844,700	\$325,175,200
 Child Care Program	 \$125,493,800	 \$138,314,800	 \$115,546,000	 \$128,337,000	 \$116,396,000	 \$129,232,000
 Energy Program	 \$17,219,200	 \$17,217,400	 \$17,219,200	 \$17,217,400	 \$17,219,200	 \$17,217,400
 Total Community Based Services	 <u>\$809,415,600</u>	 <u>\$844,919,900</u>	 <u>\$791,618,400</u>	 <u>\$824,949,900</u>	 <u>\$799,309,900</u>	 <u>\$834,593,100</u>

The Conference amends Part I, Operating Budget, language provision, relating to Welfare to Work, as follows:

Due to the demands placed upon the Cabinet to meet the increasing participation rates required for welfare reform, and in order to meet the state match requirements for the Welfare to Work Program, any General Fund appropriation, excluding Salary Improvement provisions as provided in Part IX of this Act, unexpended in fiscal year 1999-2000 of up to \$8,500,000 and in fiscal year 2000-2001 of up to \$2,500,000 shall not lapse and shall be carried forward into the next fiscal year, notwithstanding KRS 45.229, in compliance with the General Provisions of this Act.

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Community Based Services

Additional General Fund support totaling \$6,000,000 in FY 2000-2001 and \$6,414,400 in FY 2001-2002; Restricted Funds (Medicaid) totaling \$1,454,200 in FY 2001-2002; and Federal Funds (Title IV-E) totaling \$3,671,500 in FY 2000-2001 and \$4,347,600 in FY 2001-2002 are provided for Alternatives for Children-Out of Home Rate Adjustments.

Additional General Fund support totaling \$400,000 and Restricted Funds (Food Stamp Enhanced Funds) support totaling \$700,000 in FY 2000-2001 and General Fund support totaling \$1,100,000 in FY 2001-2002 are provided for Adult Services-Domestic Violence to Spouse Abuse Centers.

The Conference amends Part IX, Special Provisions, language provision, related to Funds Transfer, as follows:

Funds Transfer: To the extent allowed by federal regulations and the provisions of KRS 48.630, the Cabinet for Families and Children may transfer Temporary Assistance to Needy Families (TANF) funds to the Department for Public Health in the Cabinet for Health Services in exchange for Phase I Tobacco Settlement dollars targeted for the home visitation program. Such transfer up to \$3,000,000 per year is permitted on a dollar for dollar basis. This transfer, subject to the consent of both Cabinets, shall be permitted so long as allowed by federal regulations in order to enable the Cabinet for Families and Children to further leverage funds which could be used in the Alternatives for Children subprogram.

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CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Families and Children

Agency: Families and Children
Appropriation Unit: Administration Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	30,813,900	30,813,900	30,813,900	30,439,400	30,439,400	30,439,400	31,231,100	31,231,100	31,231,100
Restricted Funds	7,756,100	7,756,100	7,756,100	4,183,400	4,183,400	4,183,400	4,168,700	4,168,700	4,168,700
Federal Funds	46,174,700	46,174,700	46,174,700	36,047,700	36,047,700	36,047,700	37,636,000	37,636,000	37,636,000
Regular Total Funds	84,744,700	84,744,700	84,744,700	70,670,500	70,670,500	70,670,500	73,035,800	73,035,800	73,035,800
General Fund Continuing									
GRAND TOTAL FUNDS	84,744,700	84,744,700	84,744,700	70,670,500	70,670,500	70,670,500	73,035,800	73,035,800	73,035,800

II. EXPENDITURE CATEGORY

Personnel Costs	31,482,400	31,482,400	31,482,400	27,877,500	27,877,500	27,877,500	29,363,400	29,363,400	29,363,400
Operating Expenses	50,102,600	50,102,600	50,102,600	40,042,000	40,042,000	40,042,000	40,848,300	40,848,300	40,848,300
Grants, Loans, Benefits	3,009,700	3,009,700	3,009,700	2,661,400	2,661,400	2,661,400	2,662,900	2,662,900	2,662,900
Debt Service							69,000	69,000	69,000
Capital Outlay	150,000	150,000	150,000	89,600	89,600	89,600	92,200	92,200	92,200
TOTAL EXPENDITURES	84,744,700	84,744,700	84,744,700	70,670,500	70,670,500	70,670,500	73,035,800	73,035,800	73,035,800

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	30,813,900	30,813,900	30,813,900	30,282,900	30,282,900	30,282,900	30,936,800	30,936,800	30,936,800
Restricted Funds	7,756,100	7,756,100	7,756,100	4,164,100	4,164,100	4,164,100	4,144,900	4,144,900	4,144,900
Federal Funds	46,174,700	46,174,700	46,174,700	35,944,700	35,944,700	35,944,700	37,483,100	37,483,100	37,483,100
Regular Total Funds	84,744,700	84,744,700	84,744,700	70,391,700	70,391,700	70,391,700	72,564,800	72,564,800	72,564,800
General Fund Continuing									
TOTAL BASE LEVEL	84,744,700	84,744,700	84,744,700	70,391,700	70,391,700	70,391,700	72,564,800	72,564,800	72,564,800

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				156,500	156,500	156,500	294,300	294,300	294,300
Restricted Funds				19,300	19,300	19,300	23,800	23,800	23,800
Federal Funds				103,000	103,000	103,000	152,900	152,900	152,900
TOTAL ADDITIONAL				278,800	278,800	278,800	471,000	471,000	471,000

V. ADDITIONAL BUDGET ITEMS**11 NEW Wage Equity Plan**

(701GA0X11) Provide funds to support salary improvement.

General Fund	156,500	156,500	156,500	225,300	225,300	225,300
Restricted Funds	19,300	19,300	19,300	23,800	23,800	23,800

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Families and Children

Agency: Families and Children
Appropriation Unit: Administration Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
11 NEW	Wage Equity Plan									
(701GA0X11)	Provide funds to support salary improvement.									
Federal Funds					103,000	103,000	103,000	152,900	152,900	152,900
Total					278,800	278,800	278,800	402,000	402,000	402,000
13 NEW	Children Advocacy Centers-Debt Service									
(701GA01)	Provide debt service funds to support Bond Funds totaling \$640,000 in FY 2000-2001 for Children's Advocacy Centers.									
General Fund								69,000	69,000	69,000
Total								69,000	69,000	69,000
TOTAL ADDITIONAL					278,800	278,800	278,800	471,000	471,000	471,000

FB 2000-2002 BUDGET MODIFICATION REPORT

Administration Services

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional funding support totaling \$552,400 (\$310,100 General Fund; \$38,200 Restricted Funds; \$204,100 Federal Funds) in FY 2000-2001 and \$617,600 (\$346,700 in General Fund; \$42,700 Restricted Funds; \$228,200 Federal Funds) in FY 2001-2002 is budgeted to provide a guaranteed Cost of Living Adjustment (COLA) salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Operating Budget includes reduced funding for EMPOWER KY savings of \$222,700 in FY 2000-2001 and \$774,400 in FY 2001-2002.

The Branch Budget permits the expenditure of up to \$1,400,000 for expanded lease space in various counties.

The Branch Budget Bill, Part I, Operating Budget, includes language provision relating to the Kentucky Commission on Community Volunteerism and Service, that directs, in the above General Fund appropriation is \$226,800 in fiscal year 2000-2001 and \$232,200 in fiscal year 2001-2002, and in the Federal Funds appropriation is \$2,970,700 in fiscal year 2000-2001 and \$2,978,400 in fiscal year 2001-2002 for the Kentucky Commission on Community Volunteerism and Service which was transferred from the Council on Postsecondary Education to the Cabinet for Families and Children by Executive Order 2000-8.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding totaling \$3,740,000 (\$640,000 General Fund; \$300,000 Federal Funds; \$300,000 Investment Income; \$2,500,000 Deferred Maintenance) in FY 2000-2001 and \$525,000 in Investment Income in FY 2001-2002 for the following capital projects and equipment purchases: a) in FY 2000-2001, Maintenance Pool, \$300,000 Investment Income; Owensboro Office Building-HVAC and Interior Renovation, \$1,500,000 Deferred Maintenance; L & N Building-Elevator Upgrade, \$1,000,000 Deferred Maintenance; Disability Determinations Client System Upgrade, \$300,000 Federal Funds; and Children's Advocacy Centers, \$640,000 General Fund; and b) in FY 2001-2002, Maintenance Pool, \$525,000 Investment Income.

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes the lease of real property in eleven counties with a cost that exceeds \$200,000 annually per lease.

The Branch Budget Bill, Part III (26), General Provisions includes language provision that directs, it is the intent of the General Assembly that the Executive Branch implement actions necessary to achieve cost savings as intended, authorized, and directed by 1998 Kentucky Acts, and 1998 House Bill 321 (1998 Ky. Acts ch. 615, Part X), by authorizing the Executive Branch, within the limitations provided for in this Act, to transfer General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit solely within the Cabinets for Families and Children, Finance and Administration, Health Services, Justice, Natural Resources and Environmental Protection, and Workforce Development, and the Department of Education. Any transfer of General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit shall be made only within each specified Cabinet and the Department of Education and shall be limited to the General Fund cost savings amounts identified in the 2000-2002 agency budget request and executive records. The Secretary of any of the specified cabinets and the Commissioner of the Department of Education may submit requests to the State Budget Director of the Governor's Office for Policy and Management for the transfer of General Fund appropriation authority. Such requests shall specify the need for the transfer of General Fund appropriation authority and the manner in which such a transfer would better achieve the General Fund cost savings. Any transfers made

FB 2000-2002 BUDGET MODIFICATION REPORT

Administration Services

under this provision for any of the cabinets identified above or the Department of Education shall result in no change to the total value of the General Fund cost savings amounts as identified in the agency budget request records recommendation and executive records for the individual cabinets specified above or the Department of Education. Any transfer made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue.

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions for the Cabinet for Families and Children relating to a) Maximizing Federal Funds and b) TANF and MSA Phase I - Tobacco Settlement Funding Transfers as follows:

a) Maximizing Federal Funds: Pursuant to compliance with the State/Executive Budget Bill and the Statutory Budget Memorandum, the Cabinet shall maximize all Federal Funds for programs within the Cabinet.

b) To the extent allowed by federal regulations and subject to the approval of the State Budget Director and the Interim Joint Committee on Appropriations and Revenue, the Cabinet for Families and Children may transfer Temporary Assistance to Needy Families (TANF) funds to the Department for Public Health in the Cabinet for Health Services in exchange for Phase I Tobacco Settlement dollars targeted for the home visitation program. Such transfer up to \$3,000,000 per year is permitted on a dollar for dollar basis. This transfer, subject to the consent of both Cabinets, shall be permitted so long as allowed by federal regulations in order to enable the Cabinet for Families and Children to further leverage funds which could be used in the Alternatives for Children subprogram.

The Branch Budget Bill, Part IX, Special Provisions, in the Department of Education, Management Support Services, includes language provisions relating to Family Resource and Youth Services Centers as follows:

a) Family Resource and Youth Services Centers: Funds appropriated to establish Family Resource and Youth Services Centers shall be transferred in fiscal year 2000-2001 and in fiscal year 2001-2002 to the Cabinet for Families and Children consistent with the intent of KRS 156.497. The Cabinet for Families and Children is authorized to use, for administrative purposes, no more than three percent (3%) of the total funds transferred from the Department of Education for the Family Resource and Youth Services Centers. The Department of Education is authorized to retain \$76,900 in fiscal year 2000-2001 and \$79,700 in fiscal year 2001-2002 from the funds appropriated for the Family Resource and Youth Services Centers. If a certified person is employed as a director or coordinator of a Family Resource or Youth Services Center, that person shall retain his or her status as a certified employee of the school district.

b) If seventy percent (70%) or more of the funding level provided by the state is utilized to support the salary of the director of a center, that center shall provide a report to the Cabinet for Families and Children identifying the salary of the director. The Cabinet for Families and Children shall transmit any reports received from Family Resource and Youth Service Centers pursuant to this provision to the Legislative Research Commission.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$278,800 in FY 2000-2001 and \$402,000 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the

FB 2000-2002 BUDGET MODIFICATION REPORT

Administration Services

Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The House provides debt service funds in FY 2001-2002 to support Bond Funds totaling \$640,000 in FY 2000-2001 for Children's Advocacy Centers.

The House adds Part IX, Special Provisions for the Cabinet for Families and Children relating to Salary Improvements and Workplace Improvements, as follows::

Salary Improvements: An appropriation of \$24,216,300 in fiscal year 2000-2001 is provided for Salary and Fringe Benefits costs in Administration Services. Any appropriation for Salary and Fringe Benefits costs unexpended for Salary and Fringe Benefits costs in fiscal year 2000-2001 shall not lapse and shall be carried forward into the next fiscal year, notwithstanding KRS 45.229, in compliance with the General Provisions of this Act, to provide salary increases for employees in the Social Service Worker I and Social Service Worker II classifications in the Department for Community Based Services.

Workplace Improvements: The Cabinet for Families and Children may expend up to \$500,000 in fiscal year 2000-2001 and \$1,400,000 in fiscal year 2001-2002 for lease expansions.

SENATE REPORT

The Senate concurs with the House with the following change:

The Senate deletes the language provision in Part IX, Special Provisions, related to TANF and MSA Phase I - Tobacco Settlement Funding Transfers.

CONFERENCE REPORT

The Senate concurs with the House with the following change:

The Conference amends Part IX, Special Provisions, language provision, related to Funds Transfer, as follows:

Funds Transfer: To the extent allowed by federal regulations and the provisions of KRS 48.630, the Cabinet for Families and Children may transfer Temporary Assistance to Needy Families (TANF) funds to the Department for Public Health in the Cabinet for Health Services in exchange for Phase I Tobacco Settlement dollars targeted for the home visitation program. Such transfer up to \$3,000,000 per year is permitted on a dollar for dollar basis. This transfer, subject to the consent of both Cabinets, shall be permitted so long as allowed by federal regulations in order to enable the Cabinet for Families and Children to further leverage funds which could be used in the Alternatives for Children subprogram.

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Families and Children

Cabinet/Function: Families and Children

Appropriation Unit: Administration Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Federal Funds				300,000	300,000	300,000			
Bond Funds				640,000	640,000	640,000			
Investment Income				300,000	300,000	300,000	525,000	525,000	525,000
Deferred Maintenance				2,500,000	2,500,000	2,500,000			
TOTAL CAPITAL				3,740,000	3,740,000	3,740,000	525,000	525,000	525,000

II. CAPITAL PROJECTS

1 (7010107) Maintenance Pool									
Investment Income				300,000	300,000	300,000	525,000	525,000	525,000
Total				300,000	300,000	300,000	525,000	525,000	525,000
2 (7010103) Owensboro Office Building-HVAC and Interior Renovation									
Deferred Maintenance				1,500,000	1,500,000	1,500,000			
Total				1,500,000	1,500,000	1,500,000			
3 (7010113) L & N Building - Elevator Upgrade									
Deferred Maintenance				1,000,000	1,000,000	1,000,000			
Total				1,000,000	1,000,000	1,000,000			
8 (7260112) Disability Determinations Client System Upgrade									
Federal Funds				300,000	300,000	300,000			
Total				300,000	300,000	300,000			
9 (7010001) Children's Advocacy Centers									
Bond Funds				640,000	640,000	640,000			
Total				640,000	640,000	640,000			
25 (7010130) Various Leases - Eleven Counties									
Total									
TOTAL				3,740,000	3,740,000	3,740,000	525,000	525,000	525,000

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Families and Children

Agency: Families and Children
Appropriation Unit: Disability Determinations

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	300,000	300,000	300,000	74,000	74,000	74,000	75,800	75,800	75,800
Federal Funds	35,108,200	35,108,200	35,108,200	37,418,900	37,418,900	37,418,900	38,559,100	38,559,100	38,559,100
Regular Total Funds	35,408,200	35,408,200	35,408,200	37,492,900	37,492,900	37,492,900	38,634,900	38,634,900	38,634,900
General Fund Continuing									
GRAND TOTAL FUNDS	35,408,200	35,408,200	35,408,200	37,492,900	37,492,900	37,492,900	38,634,900	38,634,900	38,634,900
II. EXPENDITURE CATEGORY									
Personnel Costs	21,044,800	21,044,800	21,044,800	22,376,900	22,376,900	22,376,900	23,636,100	23,636,100	23,636,100
Operating Expenses	3,175,200	3,175,200	3,175,200	3,352,100	3,352,100	3,352,100	3,169,800	3,169,800	3,169,800
Grants, Loans, Benefits	11,188,200	11,188,200	11,188,200	11,763,900	11,763,900	11,763,900	11,829,000	11,829,000	11,829,000
TOTAL EXPENDITURES	35,408,200	35,408,200	35,408,200	37,492,900	37,492,900	37,492,900	38,634,900	38,634,900	38,634,900
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	300,000	300,000	300,000	74,000	74,000	74,000	75,800	75,800	75,800
Federal Funds	35,108,200	35,108,200	35,108,200	37,319,900	37,319,900	37,319,900	38,409,200	38,409,200	38,409,200
Regular Total Funds	35,408,200	35,408,200	35,408,200	37,393,900	37,393,900	37,393,900	38,485,000	38,485,000	38,485,000
General Fund Continuing									
TOTAL BASE LEVEL	35,408,200	35,408,200	35,408,200	37,393,900	37,393,900	37,393,900	38,485,000	38,485,000	38,485,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Federal Funds				99,000	99,000	99,000	149,900	149,900	149,900
TOTAL ADDITIONAL				99,000	99,000	99,000	149,900	149,900	149,900
V. ADDITIONAL BUDGET ITEMS									
2 NEW	Wage Equity Plan								
(726TC0X02)	Provide funds to support salary improvement.								
Federal Funds				99,000	99,000	99,000	149,900	149,900	149,900
Total				99,000	99,000	99,000	149,900	149,900	149,900
TOTAL ADDITIONAL				99,000	99,000	99,000	149,900	149,900	149,900

FB 2000-2002 BUDGET MODIFICATION REPORT

Disability Determinations

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Federal funding support totaling \$251,300 in FY 2000-2001 and \$567,100 in FY 2001-2002 is budgeted to provide a guaranteed Cost of Living Adjustment (COLA) salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part I, Operating Budget, appropriates Federal Funds support totaling \$10,000 in FY 2000-2001 and \$10,000 in FY 2001-2002 for operating costs related to the Disability Determinations Client System Upgrade Project. The appropriation for the funding of this project is provided in Part II, Capital Projects Budget, in the Administration Services Appropriation Unit.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following change:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$99,000 in FY 2000-2001 and \$149,900 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.